

Africa Report by Mary Lalevée

Zaire follows Peru, breaks with IMF

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Zaire's President Mobutu Sese Seko announced on Oct. 28 that from Jan. 1, 1987, Zaire will limit payment of debt service to no more than 10% of export receipts. Although President Mobutu did not mention the precedent set by Peru's Alan García in the statement issued in Kinshasa, in which he accused the International Monetary Fund (IMF) of strangling its economy, it is clear that Africa has started to follow García's example in his rejection of IMF and international banks demands for yet further belt-tightening in the developing sector.

President Mobutu "has slammed the door on the IMF," said one Zairean source. "We have implemented IMF policy over the last four years, and the effect on the national economy has been a catastrophe. Now the IMF is demanding another three or four years of the same. Do they take us for fools?"

The statement said that the IMF program had "led the country to operate, without sufficient compensation, a net transfer of capital which is not balanced by consequent investment from external partners." Such investment was needed if there was to be a recovery which would enable the country to repay its debts, said the statement. With a diplomatic choice of words, the statement says that there will be no more IMF programs: "Any future program with the IMF should be seen as a supplementary aid to national efforts, and concluded with a view to a real launch of the Zaire economy, and no longer simply as a program of austerity and stabilisation."

As all IMF programs are nothing but austerity and "stabilization," that is the end of the IMF in Zaire.

On Oct. 31, President Mobutu dismissed the prime minister, Kengo Wa Dondo, who has faithfully implemented IMF demands over the last four years. Mobutu abolished the post of prime minister, and named a new finance minister, Mabi Malumba, known for his anti-IMF attitude. He had publicly criticized the IMF during a meeting of the central committee of Zaire's political party, the Popular Revolutionary Movement.

The behavior of the IMF had led Kengo Wa Dondo himself to "explode," at a stormy meeting between the IMF and Zairean government authorities on Aug. 30, according to the French weekly *Jeune Afrique*. The IMF had refused to disburse two payments of \$28 million, in April and June, despite Zaire's strict adherence to IMF precepts. Kengo demanded an explanation: The IMF representative, Louis Goreux, acknowledged that in April Zaire had respected the rules laid down by the IMF, but he did not explain why the payment then had not been authorized. In June, he explained, the government had committed the error of deciding to increase salaries. So, he concluded, the IMF would not authorize the two payments until Zaire behaved more obediently.

In response, a furious Kengo described the state of the Zairean economy, after four years of IMF austerity: Zaire was paying 50% of its export receipts in debt service, and debt re-

payments had been made even though Zaire was losing \$150 million due to the collapse of the prices of copper and cobalt, Zaire's main exports.

"The problem is political, not technical," said Kengo. "It is the government which is being attacked by the IMF, but you should know that the regime will defend itself with all its means." Following which, Kengo walked out of the meeting.

At the meeting of the Popular Revolutionary Movement, President Mobutu said that "The economic situation is not going very well. To be convinced of that, it is enough to observe the standard of living of the population, the prices in the markets, how companies operate, the state of social infrastructure, of health and education."

Jeune Afrique reported that a Zairean official earns approximately 1,000 zaires per month: To feed his family, he needs 300 zaires per day.

There are indications that the Zairean example will now be followed by other African countries. The Sudanese prime minister, Sadeq el Mahdi, had announced at the United Nations General Assembly meeting in September that Sudan would be limiting its debt repayments to a percentage of its export revenue.

Some action must be taken because the economic situation of most African countries is steadily worsening. The number of people officially suffering from malnutrition in Africa increased from 80 million in 1980 to 100 million in 1984, and these are certainly underestimates.

The French newsletter *Lettre d'Afrique* commented in a recent issue that it seemed that Western bankers and financiers considered that the "battle against misery" had been lost in Africa, and that French government proposals for a "Marshall Plan" for Africa had not received much support.